

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

NOTICE OF PROPOSED RULEMAKING

DATE: June 19, 2006

REGULATION FILE: RH04037853

SUBJECT OF PROPOSED RULEMAKING

The Insurance Commissioner ("Commissioner") proposes to adopt a regulation regarding bail education. Specifically, the regulation establishes general parameters for bail education curriculum, and recites substantive and procedural criteria for approval of bail education providers, instructors, and courses. It specifies certain required records and how those records shall be maintained. It identifies standards for successful completion of a bail education course. Finally, it discusses sanctions for violations of the regulation and incorporates various forms for submitting information to the Department of Insurance ("Department").

This adoption will only occur after the Commissioner considers all comments, objections and recommendations regarding the proposed regulation. If adopted, the regulation will add sections 2105.1 through 2105.19 to Title 10, Chapter 5, Subchapter 1, Article 2 of the California Code of Regulations ("C.C.R.").

PUBLIC HEARING DATE AND LOCATION:

A public hearing will be held to permit all interested persons the opportunity to present statements or arguments, orally or in writing, with respect to the proposed regulation at the following date, time, and place:

Date and time: **Wednesday, August 30, 2006
10:00 A.M.**

Location: **California Department of Insurance
300 Capitol Mall, Room 635
Sacramento, CA 95814**

Access to hearing rooms

The building and room to be used for the public hearing are accessible to persons with mobility impairments. Persons with sight or hearing impairments are requested to notify the primary contact person (listed below) in order to make special arrangements, if necessary.

PRESENTATION OF WRITTEN COMMENTS

A person may submit written comments without, or in addition to, attending the public hearing. Written comments and questions should be addressed to the below primary contact person.

Primary contact person

Jon Tomashoff, CPCU, Senior Staff Counsel
California Department of Insurance
45 Fremont Street, 21st Floor
San Francisco, CA 94105
Telephone: (415) 538-4119
Facsimile: (415) 904-5490
tomashoffj@insurance.ca.gov

Backup contact person

Jose Aguilar, Assistant Chief Counsel
California Department of Insurance
45 Fremont Street, 21st Floor
San Francisco, CA 94105
Telephone: (415) 538-4141
Facsimile: (415) 904-5729
aguilarj@insurance.ca.gov

E-mail comments preferred

The Department of Insurance encourages the transmission of written comments in Word™ or PDF format (converted from Word, not scanned) by E-mail to tomashoffj@insurance.ca.gov. Comments sent to a different E-mail address will not be accepted. The Department will promptly acknowledge receipt of comments sent by E-mail.

Deadline for written comments

All written materials must be received by the Insurance Commissioner, addressed to the primary contact person at the address listed above, no later than 5:00 p.m. on August 30, 2006. Any written materials received after that time will not be considered.

Comments transmitted by facsimile

The Commissioner will accept written comments transmitted by facsimile provided they are legible and directed to the attention of the primary contact person at the above facsimile number. Comments sent to a different facsimile number will not be accepted.

Advocacy or witness fees

Persons or groups representing the interests of consumers may be entitled to reasonable advocacy fees, witness fees, and other reasonable expenses, in accordance with the provisions of Subchapter 4.5, Title 10, of the California Code of Regulations, in connection with their participation in this

matter. Interested persons should contact the Office of the Public Advisor at the following address, in order to inquire about the appropriate procedures:

California Department of Insurance
Office of the Public Advisor
300 Capitol Mall, 17th Floor
Sacramento, CA 95814
(916) 492-3559

A copy of any written materials submitted to the Public Advisor regarding this rulemaking must also be submitted to the primary contact person for this hearing, listed above. Please contact the Office of the Public Advisor for further information.

AUTHORITY AND REFERENCE

The regulation will implement, interpret, and/or make specific the provisions of California Insurance Code (“C.I.C.”) section 1810.7. C.I.C. §§ 1810.7 and 1812 provide the authority for the regulation.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

C.I.C. § 1810.7 requires applicants for a bail license (bail agent, bail solicitor, bail permittee) to complete not less than 12 hours of classroom education in subjects pertinent to the duties and responsibilities of a bail licensee prior to licensure. Bail licensees must thereafter complete not less than six hours of continuing education each year prior to renewal of his or her license. The commissioner must approve bail education providers, course outlines and schedules of classes to be provided. C.I.C. § 1810.7 contains other provisions as well.

PROPOSED SECTIONS

Each section of the regulation is summarized below. The actual text of the regulation, along with an Initial Statement of Reasons explaining the specific purpose of each section, and the rationale for the determination that each section is reasonably necessary to fulfill the purpose for which it is proposed, together with a description of the public problem, administrative requirement, or other condition or circumstance that each adoption is intended to address, is set forth on the Department website: www.insurance.ca.gov. (See “Website Postings” section, below.)

Section 2105.1 defines “Class,” “Classroom,” “Commissioner,” “Course,” “Department,” “Electronic Filing,” “Electronic Signature,” “Fee Schedule,” “Instructor,” “Original signature,” “Provider,” and “Provider director.”

Section 2105.2 recites the topics that must be covered in a prelicensing course.

Section 2105.3 addresses the substantive and procedural requirements for approval and renewal of approval of bail education providers.

Section 2105.4 deals with instructor qualifications.

Section 2105.5 and 2105.6 deal with substantive and procedural requirements for approval and renewal of approval of courses.

Section 2105.7 addresses maintenance of records by providers.

Section 2105.8 discusses successful completion of a prelicensing course.

Section 2105.9 discusses successful completion of a continuing education course.

Section 2105.10 deals with certificates of completion.

Section 2105.11 pertains to enforcement.

Section 2105.12 is a form entitled Department Prelicensing/Continuing Education Program Provider Certification/Renewal Application.

Section 2105.13 is a form entitled Out-of-State Provider Jurisdiction Agreement.

Section 2105.14 is a form entitled Prelicensing/Continuing Education Program Instructor Qualification.

Section 2105.15 is a form entitled Bail Course Approval/Renewal Application.

Section 2105.16 is a form entitled Class Presentation Schedule.

Section 2105.17 is a form entitled Prelicensing and Continuing Education Program Course Attendance Record and Verification.

Section 2105.18 is a form entitled Prelicensing and Continuing Education Provider Stipulation to Maintain Records Outside of California.

Section 2105.19 is a form entitled Provider Roster.

DISCLOSURES REGARDING THE PROPOSED ACTION

MANDATES ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The regulation does not impose any mandate on local agencies or school districts.

COST OR SAVINGS TO STATE AGENCY

There will be no fiscal impact as the Dept of Insurance is already regulating bail education providers under the status quo pursuant to statutory mandate, and collecting fees for such, in a manner fiscally equivalent to what is required by this regulation.

COST TO ANY LOCAL AGENCY OR SCHOOL DISTRICT

There are no costs to local agencies or school districts for which Part 7 (commencing with Section 17500) of Division 4 of the Government Code would require reimbursement.

OTHER NONDISCRETIONARY COSTS TO OR SAVINGS TO ANY LOCAL AGENCY

None

COSTS OR SAVINGS IN FEDERAL FUNDING TO THE STATE

None

SIGNIFICANT, STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING THE ABILITY OF CALIFORNIA BUSINESSES TO COMPETE WITH BUSINESSES IN OTHER STATES

The Commissioner has made an initial determination that the adoption of this regulation would not have a significant, statewide adverse economic impact directly affecting business. The regulation will have a slight economic impact on bail education providers. The regulation will not alter the ability of California businesses to compete with businesses in other states.

The regulation will not involve any new or increased fee, assessment or charge. It will not require the purchase of any new equipment, structures or supplies, or the hiring of additional staff, other than possibly a supply of forms. Compliance should be relatively easy, with certain existing business employees requiring merely an hour each to read and understand the regulation. Thereafter, affected businesses will be required to follow certain procedures recited in the regulation. The regulation will not create any time delays that will increase interest, inventory or

other time-sensitive costs. The annual ongoing costs to a business will depend on the number of courses, instructors and students.

The regulation will impose various reporting requirements necessary to ensure that providers are competent and honest, courses compliant with curriculum guidelines, and students credited with completed courses.

The regulation will not affect the ability of California businesses to compete with businesses in other states because any bail education provider, whether based within or outside of California, will have to comply equally with the regulation.

POTENTIAL COST IMPACT ON PRIVATE PERSONS OR ENTITIES/BUSINESSES

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

EFFECT ON JOBS AND BUSINESSES IN CALIFORNIA

The regulation will not result in the creation or elimination of jobs, nor the creation, elimination or expansion of businesses.

IMPACT ON HOUSING COSTS

None

BUSINESS REPORTING REQUIREMENT

The regulation will impose various reporting requirements necessary to ensure that providers are competent and honest, courses compliant with curriculum guidelines, and students credited with completed courses.

IMPACT ON SMALL BUSINESS

The regulation will affect education providers that are small businesses in the manner described above in the section entitled “Significant, Statewide Adverse Economic Impact Directly Affecting Business, Including the Ability of California Businesses to Compete with Businesses in Other States.”

ALTERNATIVES

The Commissioner must determine that no reasonable alternative considered by the Commissioner or that has otherwise been identified and brought to the attention of the Commissioner would be more effective in carrying out the purposes for which the regulation is imposed or would be as effective and less burdensome to affected private persons than the proposed regulation. The Commissioner invites public comment on alternatives to the regulation.

COMPARABLE FEDERAL LAW

There is no existing federal regulation or statute comparable to the regulation.

TEXT OF REGULATION AND INITIAL STATEMENT OF REASONS

The Department has prepared an initial statement of reasons that sets forth the reasons for the regulation. The initial statement of reasons, and the text of the regulation, is available on the Department's website. Instructions for accessing the website page containing these documents are provided below.

Upon request, the initial statement of reasons will be made available for inspection and copying. Requests for the initial statement of reasons or questions regarding this proceeding should be directed to the primary contact person listed above by e-mail.

The file for this proceeding, which includes a copy of the proposed regulation, the statement of reasons, the information upon which the proposed action is based, and any supplemental information, including any reports, documentation and other materials related to the proposed action that is contained in the rulemaking file, is available for inspection and copying at 45 Fremont Street, 21st Floor, San Francisco, California 94105, between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday. Arrangements to view the file should be directed to the primary contact person listed above by e-mail.

AUTOMATIC MAILING

A copy of this notice, including the informative digest, which contains the general substance of the regulation, will automatically be sent to all persons on the Insurance Commissioner's mailing list.

WEBSITE POSTINGS

Documents concerning this rulemaking are available on the Department's website, and can be located by going to <http://www.insurance.ca.gov/0200-industry/0500-legal-info/0200-regulations/proposed-regulations.cfm>, and typing "bail education" in the search field.

MODIFIED LANGUAGE

If the Commissioner decides to adopt a regulation that differs in any substantial manner from the text that was originally provided to the public, the full text of the revised regulation will be available to the public for at least 15 days prior to its adoption. (If the revisions vary from the original text to such an extent that the public was not adequately placed on notice that the revisions could result from the original text, the Department will initiate an entirely new rulemaking.) Interested persons may request a copy of the revised regulation from the primary contact person listed above, and provide comment on the revisions to that contact person, within 15 days prior to adoption.

OBTAINING THE FINAL STATEMENT OF REASONS

A copy of the final statement of reasons may be obtained by contacting the primary contact person listed above.

Dated: June 19, 2006

JOHN GARAMENDI
Insurance Commissioner

By _____
Jon Tomashoff, CPCU
Senior Staff Counsel